

TRINITY LAND

12/6

MINING LEASE

THIS INDENTURE, Made and entered into this 2nd day of November, 1965, by and between Acme Land Company, a corporation, as Party of the First Part, and Childress Royalty Company, a corporation, as Party of the Second Part.

## WITNESSETH:

THAT THE Said Party of the First Part, in consideration of the rents, royalties, undertakings and agreements hereinafter set forth and agreed to be kept and performed by the Party of the Second Part, its successors and assigns, have by these presents and do hereby demise and lease unto the Party of the Second Part, its successors and assigns, the following described tracts or parcels of land, situated in the County of Jasper, State of Missouri, more particularly described as follows, to-wit:

- All of East Half of the Southwest Quarter of Section 34, Township 28, Range 32, Jasper County, Missouri.

for a period of eight years and 8 months, commencing at midnight on the 2nd day of November, 1965, and ending at midnight on the 1st day of August, 1974.

The Party of the Second Part is further granted the option of extending this lease for two additional terms of five years each by giving written notice to Party of the First Part of its intention to exercise the first option not less than sixty days before the expiration of the original term hereof and if Party of the Second Part desires to extend this lease for an additional term of five years following the first extension, after by giving written notice of the First Part written notice of its intention to exercise the second option not less than sixty days before the end of the first extension.

This lease shall be subject to the following terms and conditions:

1. All ores and minerals mined and produced from said land by Second Party may be cleaned and prepared for market at the central concentrating plant of the Arkansas River Mining and Smelting Company, and

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on written request therefor.

8. The Party of the Second Part, its successors or assigns, shall keep a correct account of all mineral mined, kind and weight thereof, to whom sold, and the price received therefor, which books and accounts shall be open to inspection of the said Party of the First Part or their legally authorized agents at all reasonable times.

9. If the ores produced from this land are milled over the central mill of the said Eagle-Picher Mining and Smelting Company, the Party of the First Part herein shall be paid by the Eagle-Picher Mining and Smelting Company a royalty of twelve and one-half percent (12-1/2%) of the gross value of all ores mined and produced from the land herein described and milled over the central mill of the Eagle-Picher Mining and Smelting Company. If the ores produced from the premises herein described are milled, cleaned and prepared for market from over some other mill than the mill of the Eagle-Picher Mining and Smelting Company, or upon the premises, then all checks, drafts, cash or other credits for ores or other materials sold from said land shall be made payable to the order of the Party of the First Part or its duly and legally authorized agent, who shall at once upon receipt thereof, and collection duly made on said checks and other credits, return to Party of the Second Part eighty-seven and one-half (87-1/2%) percent thereof, and retain the remaining twelve and one-half percent (12-1/2%) as their royalty due at each sale or turn-in of ores or minerals. No ores or minerals shall be sold at any time at a price lower than the highest price obtainable at the time.

10. As a further and additional royalty, Party of the Second Part agrees to pay to Party of the First Part twenty-five percent (25%) of the net profits earned by Party of the Second Part from conducting mining operations and producing ore from said land. The term "Net profits" shall mean that part remaining from the sale of mineral produced from said land after deducting all direct costs of production, and after payment of the 12-1/2%

If cleaned at said central concentrating plant, same shall be weighed, assayed, treated, handled, and the net recoverable concentrates determined, sold and accounted for in the manner and form now in effect at the said central concentrating plant of the Eagle-Picher Mining and Smelting Company, or which may be hereafter established by said company as the standard method therefor, provided further that the said Eagle-Picher Mining and Smelting Company shall account to First Party for tailings and other waste materials resulting from the treatment of said ores, and pay to the First Party therefor such price as may be agreed upon between the said Eagle-Picher Mining and Smelting Company and the First Party, at not less than the maximum price then being paid by said Eagle-Picher Mining and Smelting Company at said central mill, settlement to be made on or before the tenth day of each month for the preceding month.

2. If the said Eagle-Picher Mining and Smelting Company fails to fully and faithfully account for all ores milled through said central mill, and fails to mill all ores mined from said premises herein described, in such an efficient manner as to save all concentrates reasonably practicable under modern methods for the milling of ores in use in the Tri-State mining district at the time said ores are so milled in said central mill, then the rights herein given to mill said ores over said central plant shall be terminated, and, in that event, it is understood and agreed that the parties hereto shall thereupon agree upon such other place for the milling of such ores, or for the milling of the ores upon the land herein described, at such time. It is further understood and agreed that if the milling of said ores at said central mill shall become unsatisfactory to Party of the First Part, for any reason, it shall have the right and privilege of terminating the right herein granted to have said ores milled at said central mill, and some other method or place of milling shall then be agreed upon.

3. The Party of the Second Part, its successors or assigns, shall at the commencement of the terms herein granted begin and shall continue

the work of mining and developing said land in good faith, for the production of lead and zinc ores, and shall place and have and maintain on said land at all times sufficient pumps and machinery to drain the land of water so as to permit the efficient mining thereof, and shall properly operate the same, and shall increase the capacity thereof from time to time as may be necessary to properly drain the said land sufficiently to permit the efficient mining thereof.

4. The Party of the Second Part, its successors and assigns, shall mine said land in a good and workmanlike manner, and shall keep all shafts and drifts well and securely cribbed, grounded and supported, and shall not remove the said cribbings or supports so as to endanger the ground or permit the same to cave or fall in, and the Party of the First Part shall have the right to determine whether or not the mining of said land is workmanlike, and whether or not the shafts and drifts are well and securely cribbed and/or supported as provided herein, and the decision of the Party of the First Part shall be final.

5. The mining and development work herein provided for shall be carried on continuously, and shall not be suspended at any time without the written permission of the Party of the First Part or their duly and legally authorized agent.

6. Sufficient pillars shall at all times be left in said mine or mines, when and wherever necessary to prevent the roof from falling in or caving, or the said mine or mines from caving or falling in, and shall not be removed except with the written permission of the Party of the First Part, or its legally authorized agent.

7. The Party of the First Part, or their legally authorized agent, shall have at all times the right to inspect any and all mines, shafts, drifts or workings in and upon said land, and may use the machinery of the Party of the Second Part for that purpose, and First Party, or its authorized agents, are to be furnished with blueprints showing underground developments.

at the termination of this lease, either at the termination of the term, or by forfeiture thereof, if no shall exercise such right within sixty days after the termination thereof, and if said buildings shall not be removed at said time they shall become fixtures to the land and shall be the property of the Party of the First Part. The Party of the Second Part shall also have the right to build or construct roads or railroads over and across the surface of said land, for the purpose of removing ores or transporting ores to the central mill as herein contemplated, and as necessary, to properly conduct mining operations on or under the land herein described, but for no other purpose.

15. No wording or sentence in this lease shall be construed to permit Party of the Second Part or others to own, erect or build habitations or dwelling houses on any of the surface of said land owned by Party of the First Part, or to build any other buildings on said land, except buildings used for the purpose of mining, crushing, cleaning and handling ores and minerals as contemplated in this lease, and such as are necessarily incident thereto.

16. All uses of the said land, not necessary for the express purpose of producing and mining the ores from the land herein described, are expressly prohibited and reserved to Party of the First Part. The rights herein granted are understood to be expressly limited to such uses as are necessary for the production of lead and zinc ores from and only from the land herein described.

17. In the event the Party of the Second Part, its successors or assigns, shall fail to comply with the terms and conditions of this lease, as herein set forth, this lease shall thereby become forfeited and terminated, and the Party of the First Part may thereupon at once take possession of said land without notice to quit, or demand for possession, or any legal proceedings whatever.

18. It is further agreed that when the basic price of zinc concentrate shall be less than \$75.00 per ton, no zinc concentrates shall be marketed

from said leased premises without the written permission of the Party of  
the First Part or its duly authorized agent.

IN WITNESS WHEREOF, We have hereunto set our hands and seals  
this day and year first above written.

ACME LAND COMPANY

E. Paul Childress President

PARTY OF THE FIRST PART

CHILDRESS ROYALTY COMPANY

E. Paul Childress President

PARTY OF THE SECOND PART

Date of November } in.  
County of Jasper

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*Virginia B. Andrews*

royalty herein provided for. Party of the Second Part shall keep adequate and sufficient books, records and accounts. On or before the 20th day of each month the Party of the Second Part shall render a statement to Party of the First Part showing the amount of profit earned or loss sustained in said mining operations for the preceding month and shall thereupon pay to Party of the First Part its share of the net profits. If at the end of any accounting period agreed upon by the parties there shall remain unrecovered direct costs of production, such costs of production shall be carried forward into the next accounting period and there shall be no division of net profits until all direct costs of production shall have been recovered from the sale of ores.

11. The royalties herein provided for shall be subject to re-negotiation from time to time to meet changing conditions but shall not in any event be greater than herein provided.

12. "Gross Value" of ores, as used in the above paragraph, is hereby defined and understood by the parties to mean the highest price obtainable at the time of the sale, plus any premium money received from any governmental agency, up to but not exceeding the amount of premium money upon which royalty may be paid under valid regulation issued or made by any governmental agency having jurisdiction thereof, or any applicable law or statute, and it shall be upon the "Gross Value", as thus determined, that the royalty of twelve and one-half percent (12-1/2%) due the Party of the First Part hereunder, shall be computed and paid.

13. It is further agreed that none of the above described land shall be sub-leased or sub-let, nor shall this lease be assigned, without the written consent of the Party of the First Part or its duly authorized agent.

14. It is further understood that the said Party of the Second Part, its successors or assigns, shall have the right to erect all necessary buildings or machinery on said land for the purpose of mining, dressing, crushing and cleaning ores and minerals thereon. The Party of the Second Part shall have the right to remove any buildings or machinery placed upon said land.